

Comptroller

3 June 1952

Finance Division

Entertainment of Consultants or Former Consultants

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1. In April 1952, we received a claim in the amount of \$26 (\$27 minus \$1 for claimant) submitted by a Branch Chief for dinner and entertainment of a former covert consultant at the Statler Hotel on 13 March 1952. According to our records, the former covert consultant

addition to miscellaneous expenses, he has been paid consultant fees @ \$50 per day for: 31 July 1951; 19 September 1951; 10 October - 5 November 1951 (27 days); 15 November 1951; 16 November 1951; 13 December 1951; 20 February 1952 ($\frac{1}{2}$ day); 1 March 1952 ($\frac{1}{2}$ day); 6 March 1952; and 7 March 1952. Total consultant fees paid - \$1,750. Our files do not indicate engagement or claims subsequent to 8 March 1952, the expiration date of his contract.

2. It has recently been determined that entertainment of Agency employees and agents will not be allowed. It is assumed this prohibition would apply to consultants. However, in this case, there is no indication that the individual was acting as a paid consultant on the date of entertainment nor is there indication that he will act in such capacity in the future.

3. This claim has previously been denied by the Finance Division and has been re-submitted with a request for reconsideration and policy decision for guidance in future cases. Claimant states that this entertainment was not occasioned by his personal desire or obligation, but was solely for the benefit of the Agency in the conduct and conclusion of necessary official business with the former consultant and that for security reasons the business at hand could not be conducted in available office space. In accordance with claimant's request this matter is referred to you for the following decisions:

- a. Is such claim payable under existing regulations?
- b. If so, would a similar claim be payable if the entertainment had occurred while the consultant was under contract and receiving pay thereunder on the date of entertainment?
- c. Would the claim be payable if the consultant was under contract but receiving no pay thereunder on the date of entertainment?
- d. It is difficult to judge the reasonableness of a claim of this nature (including instances under other circumstances where

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there is no question of allowability of the claim), therefore, in this or any other case the certifying officer is obliged to obtain satisfactory justification of the amount claimed. In this case it was stated that entertainment at the Statler or similar hotel or club was deemed operationally necessary and that dinner alone would not provide sufficient time for conduct of the business. Under these circumstances are we correct in assuming \$26 to be a reasonable amount, although any other similar claim may be well under or over this amount?

- e. This claim was approved by the Acting Executive Officer of the Division concerned. We have not questioned this approval because payment was denied for other reasons. However, if it is determined the claim is payable, we would request approval by an official senior to the claimant (in this case the Division Chief) based upon our understanding of Agency policy in such matters. Are we correct in requesting such approval?


Chief, Finance Division

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